

CITY OF MILPITAS

Minutes of: CITY COUNCIL (FINANCE) SUBCOMMITTEE
Date/Time: Wednesday, June 7, 2006 – 4:00 p.m.

I. CALL TO ORDER - Vice Mayor Gomez called the meeting to order at 4:00 pm

Attendance:

City Council: Vice-Mayor Armando Gomez, Council Member Debbie Giordano
Staff: Emma Karlen, Jane Corpus, Tom Williams, Diana Whitecar, Greg Armendariz, Cindy Maxwell

Speakers:

II. CITIZENS FORUM - No Comments

III. APPROVAL of MINUTES: The April 5, 2006 minutes were reviewed and approved.

IV. ITEMS FOR DISCUSSION

A. Clarification of Budget Guidelines Relating to Budget Amendments for Capital Improvement Projects

Emma Karlen, Director of Financial Services – Through Council direction, whenever the original budget is increased or deviations are made, the change needs to go to the Finance Subcommittee first. It was not clear to staff if this applies only to operating budget items or includes capital improvement projects (CIP) also. If this applies to CIPs, issues could delay a CIP since the Finance Subcommittee only meets once a month.

Greg Armendariz, City Engineer – Emphasized that when a CIP project was approved by Council, and a change orders arise, we need to expedite the change order so as not to cause delay. There is potential of additional costs to the contractor as well as the City. It was recommend that if an additional budget appropriation is needed to a CIP that was approved by Council during the budget process, that the change order go directly to Council for approval. An exception would be when something that was not in the approved CIP is later identified, and additional appropriation is needed to create a new project, additionally for mid-year projects, that these changes could be brought to the Finance Subcommittee first.

B. Budget Requests

Emma Karlen, Director of Financial Services – The City does not have in the current budget appropriations for the two following items. Presentations were made for each:

1. Economic Action Plan – Minor Gateway Sign CIP

Diana Whitecar, Economic Development Manager – Requested a budget transfer of money from the operating budget to the existing CIP in order to fund a second minor gateway sign at street level.

Council Member Debbie Giordano and Vice-Mayor Gomez – Approved the transfer of funds for this expense. The item will be presented at the next Council meeting for final approval.

2. Milpitas Kiwanis Club – Child Spree Event

Milpitas Kiwanis in conjunction with Mervyns holds an annual child spree event to buy clothes for under-privileged children in Milpitas School District. A request was made for \$1,500 to assist in the upcoming event. The City Council's budget does have funds remaining in discretionary funds for community promotions to support this event.

Council Member Debbie Giordano and Vice-Mayor Gomez – Approved the request for this expense. The item will be presented at the next Council meeting for final approval.

Vice-Mayor Gomez – Would like staff to provide a list of the different groups who have made requests for assistance this year in order to have an idea of what to plan for next budget year.

C. Recreation Program Cost Recovery

Council Member Debbie Giordano – Would like to review some of the recreation programs that could generate more revenue through cost recovery.

Bonnie Greiner, Recreation Services Manager – Asked for guidelines and parameters to determine the extent cost recovery would be implemented. A true cost recovery program would cover utilities, lights, clerical, staff time and maintenance. If we did cost recovery for a softball league – we would need to have a minimum of seven teams to participate that would offset the cost of umpires, adult sports, awards, clerical time and maintenance time, but this would not include lighting expense. To cover the lighting cost for a true cost recovery program, we would need to have ten teams. The other option is to raise program fees to be justified thru true cost recovery expenses.

Emma Karlen, Director of Financial Services – The first step would be to identify the appropriate programs that could have increased revenue. In order to know the spectrum of what the cost potential could be in comparison to what is currently brought in, we would identify the direct program expense, add on management, supervisor, clerical support costs and full-cost recovery.

D. Library Governance Study

Cindy Maxwell,

E. Review and Direction on the Menlo Equity Leased Property

Tom Williams, Planning & Neighborhood Services Director

V. OTHER BUSINESS

- 1. Request from Milpitas Unified School District for \$1,004.00 to Fund Summer School Crossing Guards:**

VI. NEXT MEETING – Wednesday, August 2, 2006 at 4:00 pm

VII. ADJOURNMENT